

# **ST. JOHN THE BAPTIST PARISH ASSESSOR**

## ***Annual Financial Report***

As of and for the Year Ended

December 31, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7/14/10

**KEITH J. ROVIRA**  
***Certified Public Accountant***

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
**Edgard, Louisiana**

**Basic Financial Statements**  
**and Independent Auditor's Report**  
**As of and for the Year Ended**  
**December 31, 2009**

## C O N T E N T S

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets	9
Statement of Activities	10
Fund Financial Statements (Governmental Funds):	
Balance Sheet	12
Reconciliation of the Governmental Fund Balance Sheet to the Government-Wide Statement of Net Assets	13
Statement of Revenues, Expenditures and Changes in Fund Balance	14
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities	15
Notes to the Financial Statements	17
Required Supplementary Information (RSI):	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual - General Fund	33
Schedule of Funding Progress - Retirees Health, Dental and Life Insurance Plan	34
Supplementary Information Schedule:	
Summary Schedule of Prior Year Audit Findings and Corrective Action Plan for Current Year Audit Findings	36
Other Report Required by <u>Government Auditing Standards</u> :	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	39

**KEITH J. ROVIRA**  
CERTIFIED PUBLIC ACCOUNTANT  
3331 METAIRIE ROAD  
METAIRIE, LA 70001-5297

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(504) 831-4040

Fax (504) 831-4042  
Email: ROVIRACPA@AOL.COM

**INDEPENDENT AUDITOR'S REPORT**

Honorable Whitney Joseph, Jr.  
St. John the Baptist Parish Assessor  
Edgard, Louisiana

I have audited the accompanying financial statements of the St. John the Baptist Parish Assessor as of and for the year ended December 31, 2009, which collectively comprise the assessor's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the St. John the Baptist Parish Assessor. My responsibility is to express an opinion on these basic financial statements based on my audit.

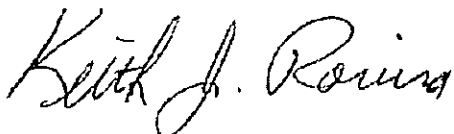
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the St. John the Baptist Parish Assessor as of December 31, 2009, and the results of operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, I have also issued a report dated June 11, 2010, on my consideration of the St. John the Baptist Parish Assessor's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations and contracts. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information as listed in the table of contents are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information, and express no opinion on it.

My audit was prepared for the purpose of forming opinions on the financial statements that collectively comprise the assessor's basic financial statements. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements of the St. John the Baptist Parish Assessor. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and in my opinion is fairly stated in all material respects, in relation to the basic financial statements taken as whole.



Keith J. Rovira  
Certified Public Accountant

June 11, 2010

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
**Management's Discussion and Analysis**  
As of and for the Year Ended December 31, 2009

Management's Discussion and Analysis (MD&A) of the St. John the Baptist Parish Assessor's financial performance presents a narrative overview and analysis of the assessor's financial activities for the year ended December 31, 2009. This document focuses on the current year's activities, resulting changes, and currently known facts. Please read this document in conjunction with the additional information contained in the basic financial statements. The MD&A is an element of the new reporting model adopted by the Government Accounting Standards Board (GASB) in their Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments" issued June, 1999. Certain comparative information between the current year and prior year has been presented in the MD&A.

#### FINANCIAL HIGHLIGHTS

The minimum requirements for financial reporting on the St. John the Baptist Parish Assessor's office that was established by GASB No. 34 are divided into the following sections:

- (a) Management's Discussion and Analysis
- (b) Basic Financial Statements
- (c) Required Supplementary Information (other than MD&A)

#### Basic Financial Statements:

The basic financial statements present information for the assessor as a whole, in a format designed to make the statements easier for the reader to understand. The financial statements in this section are divided into the two following types:

(1) Government-Wide Financial Statements, which include a Statement of Net Assets and a Statement of Activities. These statements present financial information for all activities of the assessor from an economic resources measurement focus using the accrual basis of accounting and providing both short-term and long-term information about the assessor's overall financial status.

(2) Fund Financial Statements, which include a Balance Sheet and a

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
**Edgard, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**As of and for the Year Ended December 31, 2009**

Statement of Revenues, Expenses, and Changes in Fund Balance for the General Fund (a governmental fund). These financial statements present information on the individual fund of the assessor allowing for more detail. The current financial resources measurement focus and the accrual basis of accounting used to prepare these statements is dependent on the fund type. The assessor's only governmental fund is the General Fund. The statements in this section represent the short-term financing of general government.

**FINANCIAL ANALYSIS OF THE ENTITY**

Statement of Net Assets  
As of December 31, 2009 and 2008

	<u>2009</u>	<u>2008</u>
Current assets	\$2,173,062	\$1,758,603
Capital assets	<u>16,909</u>	<u>15,255</u>
Total Assets	<u>2,189,971</u>	<u>1,773,858</u>
Long-term liabilities (Note F)	<u>61,702</u>	<u>-</u>
Total Liabilities	<u>61,702</u>	<u>-</u>
Net Assets:		
Invested in capital assets, net of related debt	16,909	15,255
Unrestricted	<u>2,111,360</u>	<u>1,758,603</u>
Total Net Assets	<u>\$2,128,269</u>	<u>\$1,773,858</u>

The assessor does not have any "restricted" net assets. It does have "unrestricted" net assets, and those are net assets that do not have any limitations on what these amounts may be used for.

Net assets of the assessor's office increased by \$354,411, or 20%, from the previous year. This increase is due primarily to the increase in ad valorem tax revenue received during the year.



**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
**Edgard, Louisiana**  
**Management's Discussion and Analysis (Continued)**  
**As of and for the Year Ended December 31, 2009**

**Statement of Revenues, Expenditures and**  
**Changes in Fund Balance**  
**For the years ended December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Revenues	\$1,166,054	\$992,071
Expenditures	<u>751,595</u>	<u>833,892</u>
Net Change in Fund Balance	<u>\$414,459</u>	<u>\$158,179</u>

The assessor's total revenues increased by \$173,983, or 18%, which was principally due to the increase in ad valorem taxes received during the year. Total expenditures decreased by \$82,297, or 10%, which was due mainly to decreases in salaries and related benefits as a result of two employees retiring at the very end of 2008.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

Capital Assets

At December 31, 2009, the assessor had \$16,909 invested in capital assets, including office furniture and equipment. This amount represents the total original cost of the capital assets less accumulated depreciation. The table below lists capital assets by type, net of accumulated depreciation:

**Capital Assets**  
**(Net of Accumulated Depreciation)**  
**As of December 31, 2009 and 2008**

	<u>2009</u>	<u>2008</u>
Office furniture and equipment, net of accumulated depreciation	<u>\$16,909</u>	<u>\$15,255</u>
Total	<u>\$16,909</u>	<u>\$15,255</u>

Debt Administration

The assessor had no debt outstanding at year end.

ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Management's Discussion and Analysis (Continued)  
As of and for the Year Ended December 31, 2009

#### 2009 BUDGET VERSUS ACTUAL ANALYSIS

The most noteworthy variation between the "final" budget numbers and the "actual" numbers for revenues and expenditures as detailed on the Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget versus Actual was for ad valorem taxes. The assessor's actual ad valorem tax revenue exceeded the budget amount by \$183,644, or 20%, which was principally due to 2008 being a reassessment year, and the tax assessments increased.

#### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET (2010)

The assessor considered the following factors and indicators when setting up next year's (2010) budget. These factors and indicators include: (1) revenues to be received from the collection of ad valorem taxes and state revenue sharing should be relatively constant; (2) additional salaries and related costs due to an increase in health care and other salary related benefits and costs; (3) increases in other operating costs of the office in the process of providing services to the public. The assessor expects that next year's revenues plus existing available resources carried forward from the previous year will be sufficient to cover the office's annual expenses.

#### CONTACTING THE ASSESSOR

This financial report is designed to provide the citizens, taxpayers, customers, investors and creditors with a general overview of the assessor's finances, and to show the assessor's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact Mr. Whitney Joseph, Jr., St. John the Baptist Parish Assessor, 1801 West Airline Hwy., Room 103, LaPlace, Louisiana 70068, or call 985-652-5311.

**BASIC FINANCIAL STATEMENTS**  
**(GOVERNMENT-WIDE FINANCIAL STATEMENTS)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
**Edgard, Louisiana**  
**Statement of Net Assets**  
**As of December 31, 2009**

**ASSETS****Current Assets**

Cash and cash equivalents (Note C)	\$1,072,434
Revenues receivable:	
Ad valorem taxes	1,063,089
State revenue sharing	<u>37,539</u>
Total Current Assets	<u>2,173,062</u>

**Noncurrent Assets**

Capital assets, net of depreciation (Note D)	<u>16,909</u>
Total Noncurrent Assets	<u>16,909</u>
TOTAL ASSETS	<u>2,189,971</u>

**LIABILITIES****Current Liabilities**

Total Current Liabilities	<u>-</u>
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**Long-Term Liabilities (Note F)**

Net other postemployment benefit obligation (OPEB)	<u>61,702</u>
Total Long-Term Liabilities	<u>61,702</u>
TOTAL LIABILITIES	<u>61,702</u>

**NET ASSETS**

Invested in capital assets, net of related debt	16,909
Unrestricted	<u>2,111,360</u>
TOTAL NET ASSETS	<u>\$2,128,269</u>

The accompanying notes are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Statement of Activities  
For the Year Ended December 31, 2009

**EXPENSES**

## Governmental Activities:

Salaries and related benefits	\$ 729,671
Office supplies and expenses	39,127
Travel and automotive	10,398
Professional and legal fees	15,130
Capital outlay	10,827
Depreciation expense	<u>6,490</u>

Total Expenses 811,643

**GENERAL REVENUES**

Ad valorem taxes	1,083,644
State revenue sharing	56,322
Interest earnings	24,317
Other	<u>1,771</u>

Total General Revenues 1,166,054

Change in Net Assets 354,411

Net assets at beginning of year 1,773,858

Net assets at end of year \$2,128,269

The accompanying notes are an integral part of this statement.

**BASIC FINANCIAL STATEMENTS**  
**(FUND FINANCIAL STATEMENTS)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Balance Sheet  
General Fund - Governmental Fund  
December 31, 2009

**ASSETS**

Cash and cash equivalents (Note C)	\$1,072,434
Revenues receivable:	
Ad valorem taxes	1,063,089
State revenue sharing	<u>37,539</u>
<b>TOTAL ASSETS</b>	<b><u>\$2,173,062</u></b>

**LIABILITIES AND FUND BALANCE****Liabilities:**

Total Liabilities	<u>-</u>
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**Fund balance:**

Unreserved-undesignated	<u>\$2,173,062</u>
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<b>TOTAL LIABILITIES &amp; FUND BALANCE</b>	<b><u>\$2,173,062</u></b>
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The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Reconciliation of the Governmental Fund Balance Sheet  
to the Statement of Net Assets  
December 31, 2009

Total Fund Balance - Governmental Fund \$2,173,062

Amounts reported for governmental activities  
in the Statement of Net Assets are different  
because:

Capital assets used in governmental  
activities are not current financial  
resources and, therefore, are not  
reported in the Governmental Funds  
Balance Sheet. 16,909

Some liabilities are not due and payable  
in the current period and therefore are  
not reported in the funds. Those liabilities  
consist of:

Net other postemployment benefit  
obligation (OPEB) (61,702)

Total Net Assets of Governmental Activities \$2,128,269

The accompanying notes are an integral part of this statement.



ST. JOHN THE BAPTIST PARISH ASSESSOR  
 Edgard, Louisiana  
 Statement of Revenues, Expenditures  
 and Changes in Fund Balance  
 General Fund - Governmental Fund  
 For the Year Ended December 31, 2009

**REVENUES**

Ad valorem taxes	\$1,083,644
State revenue sharing	56,322
Interest earnings	24,317
Other	<u>1,771</u>

Total Revenues	<u>1,166,054</u>
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**EXPENDITURES**

Salaries and related benefits	667,969
Office supplies and expenses	39,127
Travel and automotive	10,398
Professional and legal fees	15,130
Capital outlay	<u>18,971</u>

Total Expenses	<u>751,595</u>
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Excess of Revenues over Expenditures	414,459
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Fund Balance at Beginning of Year	<u>1,758,603</u>
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Fund Balance at End of Year	<u>\$2,173,062</u>
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The accompanying notes are an integral part of this statement.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
**Edgard, Louisiana**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance of the Governmental Fund**  
**to the Statement of Activities**  
**For the Year Ended December 31, 2009**

Net Change in Fund Balance - Governmental Funds	\$414,459
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of depreciation that was charged during the current year.	(6,490)
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Capital assets added during the year are not current financial resources, therefore, they are reported on the Statement of Net Assets and not the Governmental Funds Balance Sheet	8,144
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Some items reported in the Statement of Net Assets do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Net other postemployment benefit obligation (OPEB)	<u>(61,702)</u>
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Change in Net Assets of Governmental Activities	<u>\$354,411</u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE FINANCIAL STATEMENTS**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**INTRODUCTION**

As provided by Article VII, Section 24 of the Louisiana Constitution of 1974, the assessor is elected by the voters of the parish and serves a four year term. The assessor assesses all real and movable property in the parish subject to ad valorem taxation, prepares tax rolls, and submits the rolls to the Louisiana Tax Commission and other governmental bodies as prescribed by law. The assessor is authorized to appoint as many deputies as may be necessary for efficient operation of the office and provide assistance to the taxpayers of the parish. The deputies are authorized to perform all functions of the office, but the assessor is officially and pecuniarily responsible for the actions of the deputies.

The assessor has one office located in Edgard and one office in LaPlace in St. John the Baptist Parish. In accordance with Louisiana law, the assessor bases real and movable property assessments on conditions existing on January 1 of the tax year. The assessor completes an assessment listing for the tax year and submits the list to the parish governing authority and the Louisiana Tax Commission, as prescribed by law. Once the assessment listing is approved, the assessor submits the assessment roll to the parish tax collector, who is responsible for collecting and distributing taxes to the various taxing bodies located in the parish.

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

1. Basis of Presentation

The accompanying basic financial statements of the St. John the Baptist Parish Assessor have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The St. John the Baptist Parish Assessor has adopted the provisions of Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Local Governments. The assessor will be treated as a governmental-type activity for financial reporting purposes in this audit. The minimum requirements for the St. John the Baptist Parish Assessor's office established by GASB Statement No. 34 are divided into the following sections: (a) Management's Discussion and Analysis, (b) Basic Financial Statements, and (c) Required Supplementary Information (RSI) other than MD&A.

The accompanying financial statements of the present information only as to the transactions of the programs of the assessor as authorized by Louisiana statutes and administrative regulations. Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

Revenue Recognition

Revenues are recognized using the full accrual basis of accounting. Therefore, ad valorem taxes, state revenue sharing, and interest earnings are recognized in the accounting period in which they are earned and become measurable.

Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31.

Expense Recognition

Expenses are also recognized on the accrual basis; therefore, expenses, including salaries and related benefits, travel and automotive, office supplies and expenditures, professional and legal fees, etc. are recognized in the period incurred, if measurable.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2. Reporting Entity**

For financial reporting purposes, in conformance with GASB Codification Section 2100, the assessor is an independently elected official who operates his office without oversight responsibility to the parish governing authority, the St. John the Baptist Parish Council. Louisiana revised statutes give each assessor control over all of their operations. This includes the hiring and retention of employees, authority over budgeting, responsibility for funding deficits and operating deficiencies, and fiscal management for controlling the collection and disbursement of funds. Therefore, the assessor reports as an independent reporting entity and the financial statements include only the transactions of the St. John the Baptist Parish Assessor. Furthermore, the St. John the Baptist Parish Council, the parish's governing authority, does not include the assessor as a component unit in its comprehensive annual financial report.

**3. Fund Accounting**

The assessor uses a fund (General Fund) to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

The assessor's General Fund is classified as a governmental fund. Governmental funds account for general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition of capital assets.

The General Fund, as provided by Louisiana Revised Statute 47:1906, is the only fund of the assessor and accounts for the operation of the assessor's office. Ad valorem tax revenue authorized by Act 292 of 1985 is accounted for in this fund. General operating expenditures are paid from this fund.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**4. Budgets**

The original proposed budget for the year ended December 31, 2009, was made available for public inspection at the assessor's office and advertised on November 26, 2008. The budget was adopted after a public hearing which was held on December 17, 2008. The proposed budget was prepared on the modified accrual basis of accounting. The assessor reserves all authority to make changes to the budget.

The 2009 original budget was not amended.

Formal budget integration within the accounting records is employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

All appropriations contained in the budget lapse at year end.

**5. Cash and Cash Equivalents**

Cash includes amounts in noninterest bearing demand deposits. Cash equivalents include amounts in certificates of deposit. Under state law, the assessor may deposit funds in demand deposits, money market accounts, or certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

**6. Receivables**

Receivables are made up of ad valorem taxes and state revenue sharing. Ad valorem tax receivables recorded as of December 31, 2009 are based on the actual ad valorem taxes received in the ensuing calendar year, therefore, there was no need for estimating an uncollectible amount.

**7. Capital Assets**

Capital assets are recorded at either historical cost or estimated historical cost and are depreciated over their estimated useful lives (excluding salvage value). These assets are reported on the Statement of Net

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Assets at original cost less accumulated depreciation, and annual depreciation expense is reported in the Statement of Activities. Any donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight-line depreciation with an estimated useful life of 5 years is used for all office furniture and equipment.

8. Compensated Absences  
Employees of the assessor's office earn vacation leave depending on length of service as follows: after one year of service an employee earns 5 days; after two years of service an employee earns 10 days; after three and four years of service an employee earns 15 days; after five years of service an employee earns 20 days. An employee cannot earn more than 20 days per year after five years of service. Vacation leave must be taken during the year earned, and cannot be accumulated. Sick leave is granted at the discretion of the assessor, and cannot be accumulated. Upon termination, resignation, or retirement employees are not paid for any unused vacation or sick leave earned during the year. At December 31, 2009, there were no accumulated or vested benefits related to vacation and sick leave that require disclosure in accordance with GASB Codification C60.
9. Encumbrances  
Encumbrance accounting is not utilized by the assessor due to the nature of operations and the ability of management to monitor budgeted expenditures on a timely basis.



ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

NOTE B - LEVIED TAXES

Ad valorem taxes of 3.06 mills were authorized and levied for the operation of the assessor's office for the year ended December 31, 2009. The following are the four principal taxpayers for the parish:

<u>Taxpayer</u>	<u>Business Type</u>	<u>2009 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Marathon Ashland, LLC	Oil	\$129,223,150	37%
Arcelormittal LaPlace	Steel	11,651,212	3
Dupont Performance	Chemicals	7,819,019	2
E.I. Dupont De Nemours	Chemicals	<u>7,016,156</u>	<u>2</u>
Total		<u>\$155,709,537</u>	<u>44%</u>

The total assessed valuation for all taxpayers at December 31, 2009, was \$348,670,498. This figure was used in calculating the percentage of the "2009 assessed valuation of each of the principal taxpayers" to the "total assessed valuation for all taxpayers."

NOTE C - CASH AND CASH EQUIVALENTS

At December 31, 2009, the carrying amounts (book balances) of all cash and cash equivalents of the assessor are listed as follows:

Interest bearing bank account	\$ 411,329
Certificates of deposit	<u>661,105</u>
Total	<u>\$1,072,434</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2009

**NOTE C - CASH AND CASH EQUIVALENTS (CONTINUED)**

securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 2009, the assessor had \$1,075,536 in deposits (collected bank balances). At December 31, 2009, these deposits were secured from risk by \$1,250,000 of federal deposit insurance and \$1,046,995 of pledged securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the assessor that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE D - CAPITAL ASSETS**

The capital assets used in the governmental-type activities are included on the Statement of Net Assets of the assessor and are capitalized at historical cost. Depreciation of all exhaustible capital assets used by the assessor is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Assets. Depreciation expense for financial reporting purposes is computed using the straight-line method over the useful lives of the capital assets and is reported in the Statement of Activities.

A summary of changes in capital assets and accumulated depreciation during the year is listed as follows:

	Balance <u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/09</u>
<u>Capital Assets (at Cost)</u>				
Office furniture and equipment	\$79,994	\$8,144	\$19,279	\$68,859
Total	<u>\$79,995</u>	<u>\$8,144</u>	<u>\$19,279</u>	<u>\$68,859</u>

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Notes to the Financial Statements  
 December 31, 2009

**NOTE D - CAPITAL ASSETS (CONTINUED)**

	<u>Balance</u> <u>12/31/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/09</u>
<u>Less Accumulated Depreciation for -</u>				
Office furniture and equipment	\$64,739	\$6,490	\$19,279	\$51,950
Total	<u>\$64,739</u>	<u>\$6,490</u>	<u>\$19,279</u>	<u>\$51,950</u>

**NOTE E - PENSION PLAN**

Plan Description

Substantially all employees of the St. John the Baptist Parish Assessor's office are members of the Louisiana Assessor's Retirement System (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All full-time employees who are under the age of 60 at the time of original employment and are not drawing retirement benefits from any other public retirement system in Louisiana are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service or at or after age 50 with at least 30 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Assessor's

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE E - PENSION PLAN (CONTINUED)**

Retirement System, Post Office Box 1786, Shreveport, Louisiana 71166-1786, or by calling (318)425-4446.

Funding Policy

For all of the year under audit, plan members (employees) were required by state law to contribute 8.0 percent of their annual covered salary into the retirement system. Also, for the entire year the assessor (employer) was required to contribute 13.5 percent of an employee's annual covered payroll into the System. Contributions to the System also include one-fourth of one percent (one percent for Orleans Parish) of the taxes shown to be collectible by the tax rolls of each parish, plus revenue sharing appropriated by the legislature. The contribution requirements of plan members and the assessor are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The assessor's employer contributions to the System for the years ended December 31, 2009, 2008, and 2007 were \$56,320, \$61,818, and \$57,370, respectively, and these amounts equaled the required contributions for those years.

Additionally, the assessor paid all required employee contributions for all eligible employees of his office for the years ended December 31, 2009, 2008, and 2007, which totaled \$33,375, \$36,633, and \$33,997, respectively, and these amounts equaled the required contributions for those years.

**NOTE F - LONG-TERM LIABILITIES**

Other Postemployment Benefit Obligations (OPEB)

Plan Description: The assessor administers and contributes to a single-employer defined benefit health, dental and life insurance plan for retirees and active employees. The plan provides lifetime health and dental insurance for retirees, their spouses and dependents, and life insurance benefits for employees that retire at age 55 or older or have 30 years of service at any age. The assessor uses the same

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

private insurance provider/carrier as the parish. No financial statements are available for the assessor's plan.

For the first time, the assessor was required to implement Governmental Accounting Standards Board Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. In adopting the requirements of GASB Statement No. 45 during the year ended December 31, 2009, the assessor recognizes the cost of postemployment benefits in the year when employee services are rendered, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the assessor's future cash flows. Because the assessor has adopted the requirements of GASB Statement No. 45 prospectively, recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

**Funding Policy:** The assessor contributes 100% of the costs of the current year's health, dental and life insurance premiums for eligible retired employees, their spouses and dependents. The assessor finances its plan on a pay-as-you-go basis, therefore no funds are reserved for payment of future insurance premiums. For the year ended December 31, 2009, the assessor contributed \$45,255 to the plan on behalf of the retirees.

**Annual OPEB Cost and Net OPEB Obligation:** The assessor's annual other postemployment benefit (OPEB) is calculated based on the annual required contribution (ARC). The assessor has elected to calculate the ARC and related information using the "unit credit actuarial cost method." The ARC represents a level of funding that, if paid on an ongoing basis, it is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the assessor's annual OPEB cost for the year, the amount actually

ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

NOTE F - LONG-TERM LIABILITIES (CONTINUED)

contributed to the plan, and changes in the assessor's net OPEB obligation to the plan:

Annual required contribution (ARC)	\$102,844
Interest on net OPEB obligation	4,113
Adjustments to Annual Required Contribution	<u>0</u>
Annual OPEB cost	106,957
Contributions made	<u>(45,255)</u>
Increase in net OPEB obligation	61,702
Net OPEB obligation at beginning of year	<u>0</u>
Net OPEB obligation at end of year	<u>\$61,702</u>

The assessor's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year 2009 were \$106,957, 42%, and \$61,702, respectively.

Funded Status and Funding Progress: As of December 31, 2009, the actuarial accrued liability for benefits was \$1,519,661, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was \$417,188 and the ratio of the unfunded actuarial accrued liability (UAAL) to the covered payroll was 364%.

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of a plan and the employer's annual required contributions are subject to continued revision as actual results are compared with past expectations and new estimates are made about the future.

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

**Actuarial Methods and Assumptions:** Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following simplifying assumptions were made:

Retirement age for active employees - Active members were assumed to retire at 65 years of age.

Marital status - Marital status of members at the calculation date was assumed to continue throughout retirement.

Mortality - Life expectancies were based on mortality tables from the National Center for Health Statistics.

Turnover - Non-group-specific age-based turnover data from GASB Statement No. 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

Healthcare cost trend rate - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 5.7% initially, increased to an ultimate rate of 6.6% after ten years, was used.

Health insurance premiums - 2009 health insurance premiums for retirees was used as the basis for calculation of the present value of total benefits to be paid.



**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

**NOTE F - LONG-TERM LIABILITIES (CONTINUED)**

Inflation rate - The expected long-term inflation assumption of 2.8% was based on projected changes in the Consumer Price Index (CPI) in The 2009 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

Payroll growth rate - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

Based on the historical and expected returns of the assessor's short-term investment portfolio and cash deposits, a future discount rate of 4% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability (UAAL) is being amortized as a level percentage of projected payroll on an open basis over 30 years.

**NOTE G - LEASES**

Operating leases are all leases that do not meet the criteria of capital leases.

On October 17, 2007, the assessor had entered into a separate noncancelable operating lease for a replacement automobile. There were no leases payments required to be made during the current year.

On February 7, 2008, the assessor entered into a separate noncancelable operating lease for a replacement automobile. There were no leases payments required to be made during the current year.

There were no other operating or capital leases, and no other commitments on any leases as of December 31, 2009.

ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Notes to the Financial Statements  
December 31, 2009

NOTE H - EXPENDITURES OF THE ASSESSOR NOT INCLUDED IN THE  
FINANCIAL STATEMENTS

The assessor has an office located in both Edgard and LaPlace in St. John the Baptist Parish. The upkeep and maintenance of these offices is mainly paid by the St. John the Baptist Parish Council as required by Louisiana Revised Statute. These expenditures are not reflected in the accompanying financial statements.

NOTE I - LITIGATION

There was no litigation pending against the assessor's office at December 31, 2009.

**REQUIRED SUPPLEMENTARY INFORMATION (RSI)**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
 Edgard, Louisiana  
 Required Supplementary Information  
 General Fund - Governmental Fund Type  
 Schedule of Revenues, Expenditures, and Changes in  
 Fund Balance - Budget (GAAP Basis) and Actual  
 For the Year Ended December 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>with Final</u> <u>Budget</u> <u>Positive</u> <u>(Negative)</u>
<b>REVENUES</b>				
Ad valorem taxes	\$900,000	\$900,000	\$1,083,644	\$183,644
State revenue sharing	54,000	54,000	56,322	2,322
Interest earnings	30,000	30,000	24,317	(5,683)
Other	<u>700</u>	<u>700</u>	<u>1,771</u>	<u>1,071</u>
Total Revenues	<u>984,700</u>	<u>984,700</u>	<u>1,166,054</u>	<u>181,354</u>
<b>EXPENDITURES</b>				
Salaries and related expenditures	731,989	731,989	667,969	64,020
Office supplies and expenditures	57,000	57,000	39,127	17,873
Travel and automotive	13,000	13,000	10,398	2,602
Professional & legal fees	13,300	13,300	15,130	(1,830)
Capital outlay and miscellaneous	<u>169,411</u>	<u>169,411</u>	<u>18,971</u>	<u>150,440</u>
Total Expenditures	<u>984,700</u>	<u>984,700</u>	<u>751,595</u>	<u>233,105</u>
Excess (Deficiency) of Revenues over Expenditures	-	-	414,459	414,459
Fund Balance at Beginning of Year	<u>1,758,603</u>	<u>1,758,603</u>	<u>1,758,603</u>	<u>-</u>
Fund Balance at End of Year	<u>\$1,758,603</u>	<u>\$1,758,603</u>	<u>\$2,173,062</u>	<u>\$414,459</u>

The accompanying notes are an integral part of this statement.

ST. JOHN THE BAPTIST PARISH ASSESSOR  
 Edgard, Louisiana  
 Required Supplementary Information  
 Schedule of Funding Progress  
 Retirees Health, Dental and Life Insurance Plan  
 For the Year Ended December 31, 2009

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
12/31/09	\$0	\$1,519,661	\$1,519,661	0%	\$417,188	364%

Note: Generally accepted governmental accounting principles (GASB Codification Po50.131-132) require that this schedule present information from the last three years. Because the requirements of GASB Statement No. 45 were implemented starting with the year ended December 31, 2009, only one year is available. Additional information will be added after each of the next two valuations. Subsequent to that, information will be presented for the latest three years.

**SUPPLEMENTARY INFORMATION SCHEDULE**

**ST. JOHN THE BAPTIST PARISH ASSESSOR**  
Edgard, Louisiana  
Supplementary Information Schedule  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2009

I have audited the accompanying basic financial statements of the St. John the Baptist Parish Assessor as of and for the year ended December 31, 2009, and have issued my report thereon dated June 11, 2010. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. My audit of the financial statements as of December 31, 2009 resulted in an unqualified opinion.

Section I - Summary of Auditor's Report and Findings

There was one material weakness in internal control that was a reportable condition which required disclosure in this audit report (Finding No. 1).

There was one prior-year audit finding, and it was the same as the current-year finding (Finding No. 1).

There were no other findings, required to be reported, and no management letter was issued for the current audit period.

There were no instances of noncompliance that were required to be reported in this audit report.

The St. John the Baptist Parish Assessor did not receive any federal funds during the twelve months ended on December 31, 2009.

ST. JOHN THE BAPTIST PARISH ASSESSOR  
Edgard, Louisiana  
Supplementary Information Schedule (Continued)  
Summary Schedule of Prior Audit Findings and  
Corrective Action Plan for Current Year Audit Findings  
For the Year Ended December 31, 2009

Section II - Financial Statement Finding

Finding No.: 1

Fiscal Year Finding Initially Occurred: Has existed from inception.

Finding Described: The size of the assessor's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal accounting control.

Corrective Action and Additional Explanation: Management is aware of this inadequacy in the internal control structure, however, it feels that to employ such controls would not be cost beneficial. No action will need to be taken.

Anticipated Completion Date: Not applicable.

Contact Person:

Mr. Whitney Joseph, Jr., Assessor  
St. John the Baptist Parish  
1801 West Airline Hwy., Room 103  
LaPlace, Louisiana 70068  
Phone #: 985-652-5311



**OTHER REQUIRED REPORT**

**KEITH J. ROVIRA**  
CERTIFIED PUBLIC ACCOUNTANT  
3331 METAIRIE ROAD  
METAIRIE, LA 70001-5297

39

(504) 831-4040

Fax (504) 831-4042  
Email: ROVIRACPA@AOL.COM

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Honorable Whitney Joseph, Jr.  
St. John the Baptist Parish Assessor  
Edgard, Louisiana

I have audited the financial statements of the St. John the Baptist Parish Assessor as of and for the year ended December 31, 2009, and have issued my report thereon dated June 11, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the St. John the Baptist Parish Assessor's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. John the Baptist Parish Assessor's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the St. John the Baptist Parish Assessor's internal control over financial reporting.

My consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and

would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as described below, I identified a certain deficiency in the internal control over financial reporting that I consider to be a significant deficiency.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the assessor's ability to initiate, authorize, record, process, or report financial data reliably in accordance with general accepted accounting principles such that there is more than a remote likelihood that a misstatement of the assessor's financial statements that is more than inconsequential will not be prevented or detected by the assessor's internal control. I consider the deficiency described in the accompanying schedule of findings and responses to be a significant deficiency in internal control over financial reporting (Finding No. 1).

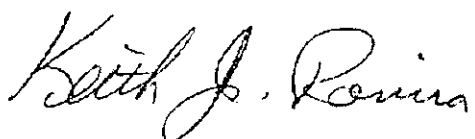
A material weakness is a significant deficiency, or combination of significant deficiencies that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the assessor's internal control.

My consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, I considered the significant deficiency described in Finding No. 1 to be a material weakness.

#### Compliance and Other Matters

As a part of obtaining reasonable assurance about whether the St. John the Baptist Parish Assessor's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations and contracts, noncompliance with which could have a direct and material effect on the determination of the financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of management, and the State of Louisiana Legislative Auditor, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report which, upon acceptance by the State of Louisiana Legislative Auditor, is a matter of public record.

A handwritten signature in cursive script, reading "Keith J. Rovira".

Keith J. Rovira  
Certified Public Accountant

June 11, 2010